

Commonwealth of Massachusetts  
Department of Telecommunications and Energy  
Fitchburg Gas and Electric Light Company  
Docket Nos. D.T.E. 02-24 and D.T.E. 02-25  
Responses to the Department's Second Set of Information Requests

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**Request No. DTE 2-9:**

Refer to Exhibit FGE-MHC-1 (Electric) at 8, lines 1 to 10. Please provide a table depicting, for each of the company's rate classes, the number of customers, electric operating revenues, and corresponding kilowatthour sales from 1995 to 2001. Provide a narrative explanation of the significant factors that influenced the year-to-year variations in customers, revenues, and sales during that period. As part of this response, please provide a forecast of potential new customers and load growth for the period 2002 through 2006.

**Response:**

The table of historic data from 1995 through 2001 along with the forecast data from 2002 through 2006 is included as Common Discovery<sup>1</sup> Attachment DTE 2-9, Page 1 of 1.

Generally over the 1995 – 2001 period, the greatest portion of year-to-year changes in kWh sales has been in the Large General class.

1996 vs. 1995: One Large General customer - Massachusetts Recycling Associates Limited Partnership (MRALP) commenced operations.

1997 vs. 1996: Financial difficulties for this same customer translated to significantly decreased operations.

1998 vs. 1997: After bankruptcy, MRALP began operations as Fitchburg Operations Limited Liability Corp (FOLLC).

1999 vs. 1998: Following a second bankruptcy at this location, FOLLC was reorganized and began operations as Princeton Paper. However, somewhat offsetting the gains from Princeton Paper, were more widespread declines in the manufacturing sector, with two other large customers discontinuing their operations within FGE's territory. Beyond the Large General class, there was a significant increase in Residential kWh sales reflecting the unusually warm summer of 1999.

2000 vs. 1999: Financial problems and resulting cessation of operations at Princeton Paper.

2001 vs. 2000: The unfavorable economic impact on FGE's manufacturing sector led to decreased operations for several Large General customers. Somewhat offsetting, however, was an increase in Residential kWh sales reflecting the warm summer of 2001.

During the 1995 – 2000 period, Operating Revenues have generally followed the year-to-year fluctuations in retail kWh sales. However, 2001 Operating Revenues were up

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<sup>1</sup> Common Discovery is any attachment that is identical for D.T.E. 02-24 and D.T.E. 02-25.

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from 2000 despite a decrease in kWh sales reflecting increased energy costs. In addition, 1999 had a significant step-up in 'Sales for Resale' (tabulated within the 'Other' column) reflecting the sale of FGE's contracted generation in accord with post-deregulation divestiture requirements.

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